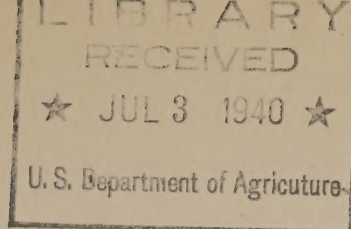


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June 1940



JUNE 1940

United States Department of Agriculture
Agricultural Adjustment Administration
Division of Information

THE SHARE OF THE DOMESTIC MARKET SUPPLIED
BY THE AMERICAN FARMER

The American farmer still has the American market for the things he produces, the same as he has always had. For many years he has been supplying approximately 90 percent of the domestic market. In recent years that percentage has not declined; in fact, it has increased slightly.

But why doesn't the American farmer, with his agricultural surpluses, supply 100 percent of the domestic market? There are two principal reasons:

First, he would be raising products which he is not equipped to produce, such as coffee, rubber, silk and bananas. These commodities could be produced in this country only at a high unit cost, if at all.

Second, because he would be shutting out all imports of foreign farm products into this country, his products would likewise be barred from foreign markets. Since the American farmer needs more than the American market, he could not afford that course. For instance, during the past 16 years, our domestic agricultural exports have averaged \$1,149,400,000 whereas competitive imports have averaged only \$687,933,000. To have gone on a strictly nationalistic basis during this period would have cost the American farmer \$461,467,000 a year.

In other words, it is more economical for the farmer to produce an abundance of those commodities which he is best equipped to produce-- with them supplying the home market and selling the remainder abroad -- while he lets foreign producers supply a trickle of competitive imports and certain specialty articles not so readily produced in this country.

THE SHARE OF THE DOMESTIC MARKET SUPPLIED BY THE AMERICAN FARMER, CALENDAR YEARS 1924-39

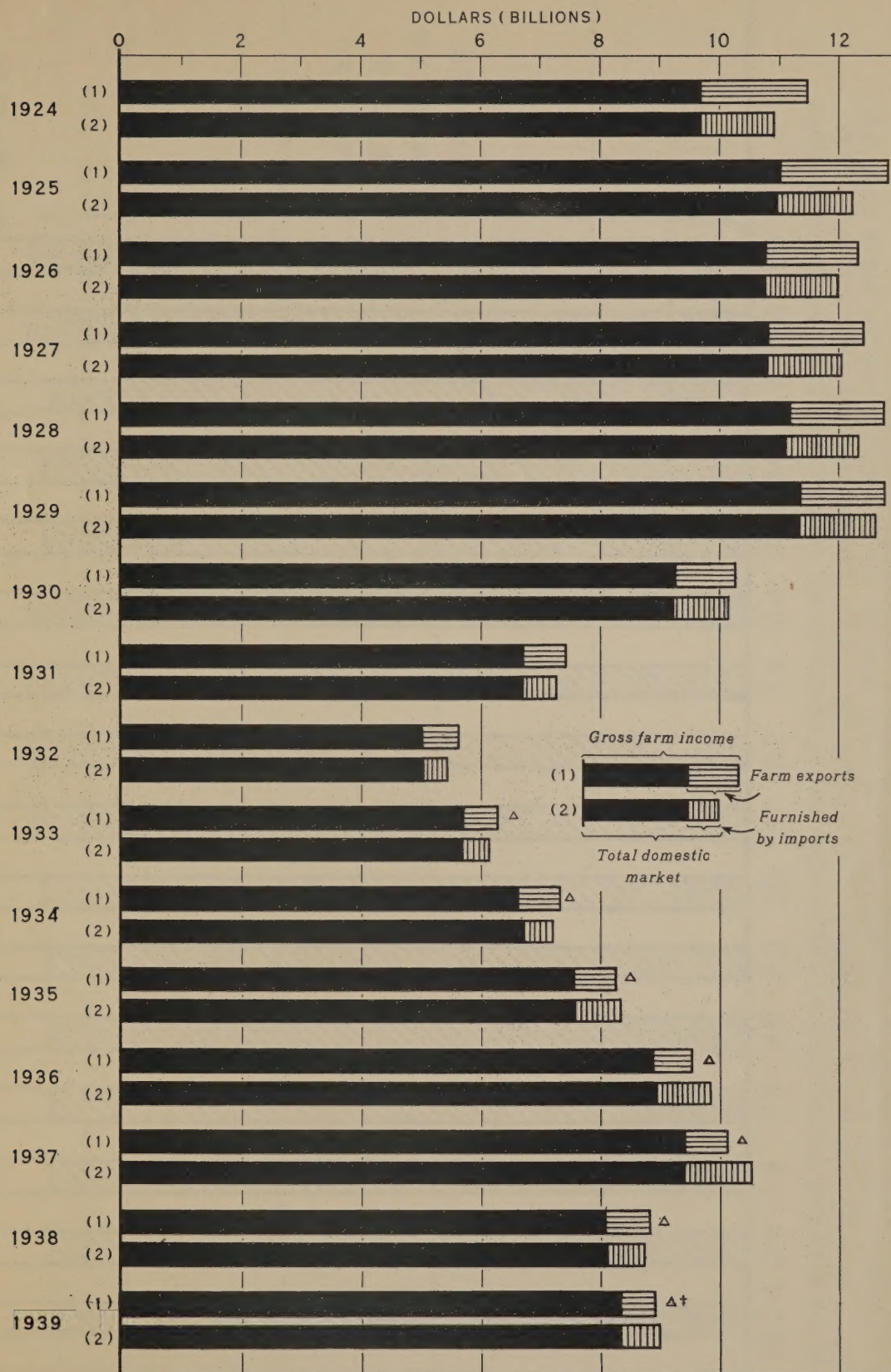
Years	(1)	(2)	(3)	(4)	(5)	(6)
	Million Dollars	Million Dollars	Million Dollars	Million Dollars	Percent	Percent
	Gross Farm Income	Domestic Farm Exports -15%	Competitive Farm Imports +25%	Value of Domestic Farm Market / Column (1) -2 + (3) /	Percent Imports of Domestic Farm Market / Column (3) divided by (4) /	Percent Domestic Market Supplied by American Farmer
1924	11,483	1,793	1,230	10,920	11	89
1925	12,846	1,816	1,251	12,281	10	90
1926	12,327	1,544	1,216	11,999	10	90
1927	12,436	1,602	1,245	12,079	10	90
1928	12,751	1,584	1,194	12,361	10	90
1929	12,791	1,439	1,271	12,623	10	90
1930	10,279	1,021	876	10,134	9	91
1931	7,426	698	559	7,287	8	92
1932	5,638	563	370	5,445	7	93
1933	6,303 2/	590	456	6,169	7	93
1934	7,317 2/	623	516	7,210	7	93
1935	8,279 2/	635	736	8,380	9	91
1936	9,585 2/	603	869	9,851	9	91
1937	10,181 2/	677	1,085	10,589	10	90
1938	8,869 2/	704	596	8,761	7	93
1939 1/	8,911 2/	557	657	9,010	7	93

1/ Preliminary.

2/ Excludes Government payments.

Compiled by Division of Information, AAA, from published U.S.D.A. data.

THE DOMESTIC AND EXPORT MARKET FOR AMERICAN FARMERS

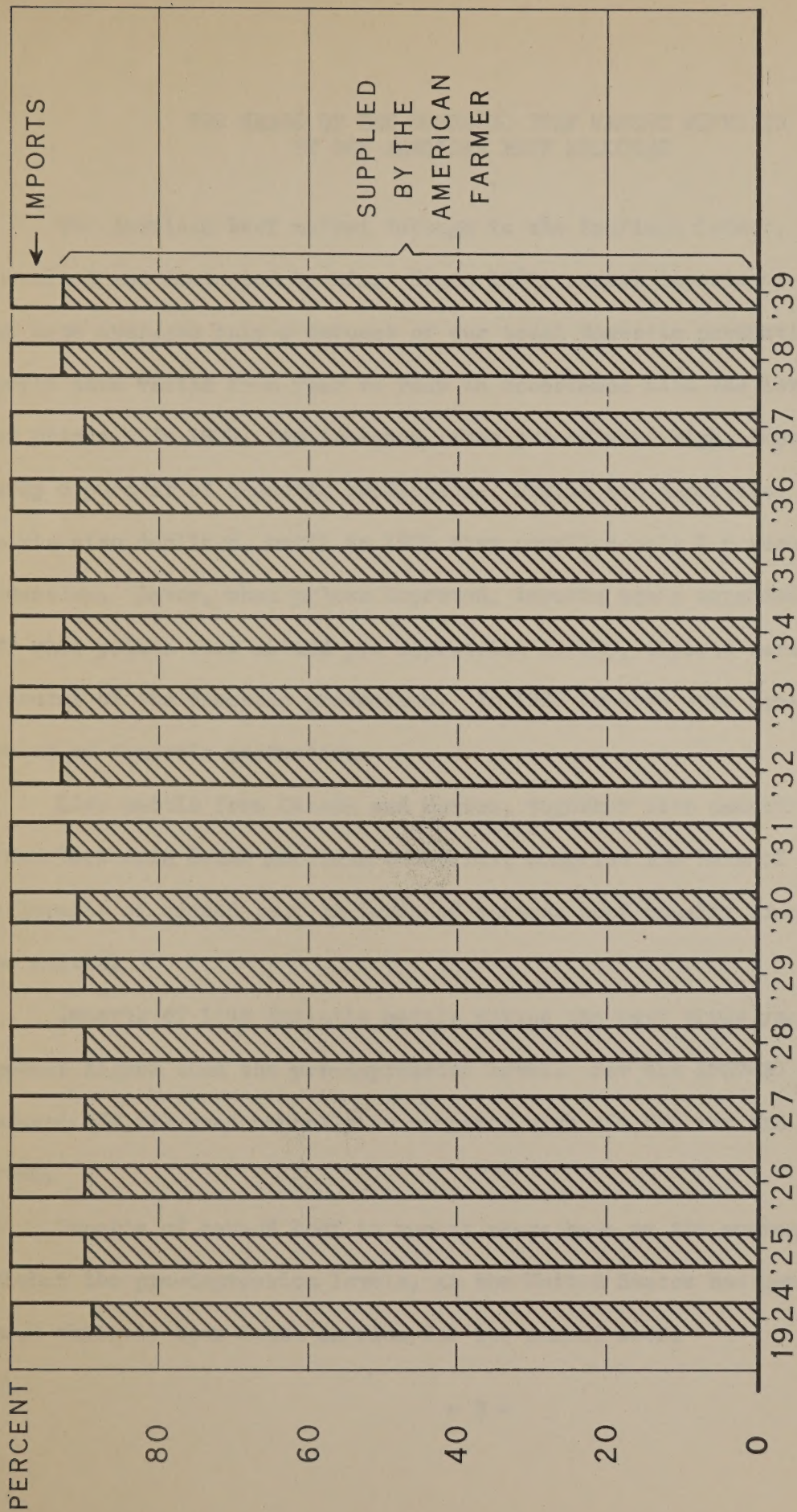


GROSS FARM INCOME AS REPORTED BY THE B. A. E. DOMESTIC MARKET ESTIMATED BY DEDUCTING FROM GROSS FARM INCOME (EXCLUDING GOVERNMENT PAYMENTS) 85% OF THE VALUE OF DOMESTIC FARM EXPORTS AND ADDING 125% OF THE VALUE OF COMPETITIVE FARM IMPORTS. EXPORT AND IMPORT FIGURES COMPILED BY FOREIGN AGRICULTURAL SERVICE, FROM REPORTS OF THE BUREAU OF FOREIGN AND DOMESTIC COMMERCE.

Δ EXCLUDES GOVERNMENT PAYMENTS.

† PRELIMINARY

THE AMERICAN FARMER HAS HIS HOME MARKET



DOMESTIC MARKET ESTIMATED BY DEDUCTING FROM GROSS FARM INCOME (EXCLUDING GOVERNMENT PAYMENTS) 85% OF THE VALUE OF DOMESTIC FARM EXPORTS AND ADDING 125% OF THE VALUE OF COM-PETITIVE FARM IMPORTS. EXPORT AND IMPORT FIGURES COMPILED BY FOREIGN AGRICULTURAL SERVICE, FROM REPORTS OF THE BUREAU OF FOREIGN AND DOMESTIC COMMERCE.

DATA FOR 1939 ARE PRELIMINARY

THE SHARE OF THE DOMESTIC BEEF MARKET SUPPLIED
BY THE AMERICAN BEEF PRODUCER

The American beef market belongs to the American farmer, and is controlled and dominated by him. Since 1923, annual imports of cattle and beef have averaged only 3 percent of our total domestic production. These imports have varied from year to year in accordance with the level of cattle and beef prices. In 1929, for instance, when prices were high, imports equalled nearly 6 percent of domestic production. During the depression as prices declined imports also declined, until in 1931 they equalled only 1 percent of domestic production. Later, when prices improved, imports again expanded somewhat. In 1937 when prices were around pre-depression levels, imports were equal to about 5 percent of the domestic production. In 1939 imports were equal to about $5\frac{1}{2}$ percent of domestic production.

Live cattle from Canada and Mexico, together with canned beef, largely corned beef from South American countries, comprise the bulk of these imports. The imports of canned beef in terms of carcass beef usually exceed those of live cattle.

Imports of live dutiable cattle during the past three years have been somewhat higher than the pre-depression level. For the 1937-39 period they averaged 557,512 head annually as compared with 454,670 for the 1927-1929 period.

Imports of canned beef in recent years have on the average exceeded somewhat the pre-depression levels, as the United States has come to depend almost entirely upon South America for its canned beef.

Prior to 1934 this country had practically ceased producing canned beef, as facilities for this type of canning in the packing industry were very limited and as American packers apparently found that other methods of sale were for the most part more economical. Before the War quantities were canned domestically but this beef came largely from low grade cattle and was inferior in quality to that now imported. As a rule, much of the inferior quality beef previously put up domestically in cans is now sold as sausage ingredients and utilized in the manufacture of sausages. Domestic packers have usually found a better outlet in the fresh meat trade for the domestically produced beef of the grade from which the imports of canned beef have been produced than has been possible through the domestic canned meat industry. Consequently, we have come to depend upon South American canned beef.

THE SHARE OF THE DOMESTIC BEEF MARKET SUPPLIED BY THE AMERICAN FARMER, CALENDAR YEARS 1924-39

Year	I m p o r t s ^{1/}				Production of		Percent Imports are of Production
	Cattle (dualiable)	Dressed-Weight Basis		Total Cattle and Beef	Beef and Veal Dressed-weight Basis	Thousand Pounds	
		Cattle (dualiable)	Canned Beef				
	Number	Thousand Pounds	Thousand Pounds	Thousand Pounds	Thousand Pounds	Thousand Pounds	Percent
1924	141,985	50,440	17,565	18,401	86,406	7,849,000	1.1
1925	172,910	46,673	19,922	16,660	83,260	7,867,000	1.1
1926	211,598	53,033	52,612	23,482	129,127	8,044,000	1.6
1927	436,204	130,033	89,997	50,998	271,028	7,182,000	3.8
1928	517,150	135,215	131,845	57,774	324,834	6,540,000	5.0
1929	410,656	129,213	199,747	50,727	370,687	6,632,000	5.7
1930	226,273	49,697	140,262	19,459	209,418	6,696,000	3.1
1931	85,570	17,797	48,965	3,494	70,256	6,807,000	1.0
1932	95,407	19,200	61,597	1,697	82,494	6,574,000	1.3
1933	63,329	9,829	103,360	970	114,159	7,283,000	1.6
1934	57,679	11,091	116,685	1,149	128,925	8,072,000	2/
1935	364,623	105,009	190,657	10,243	305,914	7,599,000	2/
1936	399,113	127,075	219,510	6,200	352,785	8,516,000	4.0
1937	494,945	153,600	220,243	6,592	380,435	7,845,000	4.1
1938	424,022	130,332	196,493	3,239	330,064	7,822,000	4.8
1939	753,570	220,818	214,657	4,617	440,092	7,835,000	4.2
							5.8

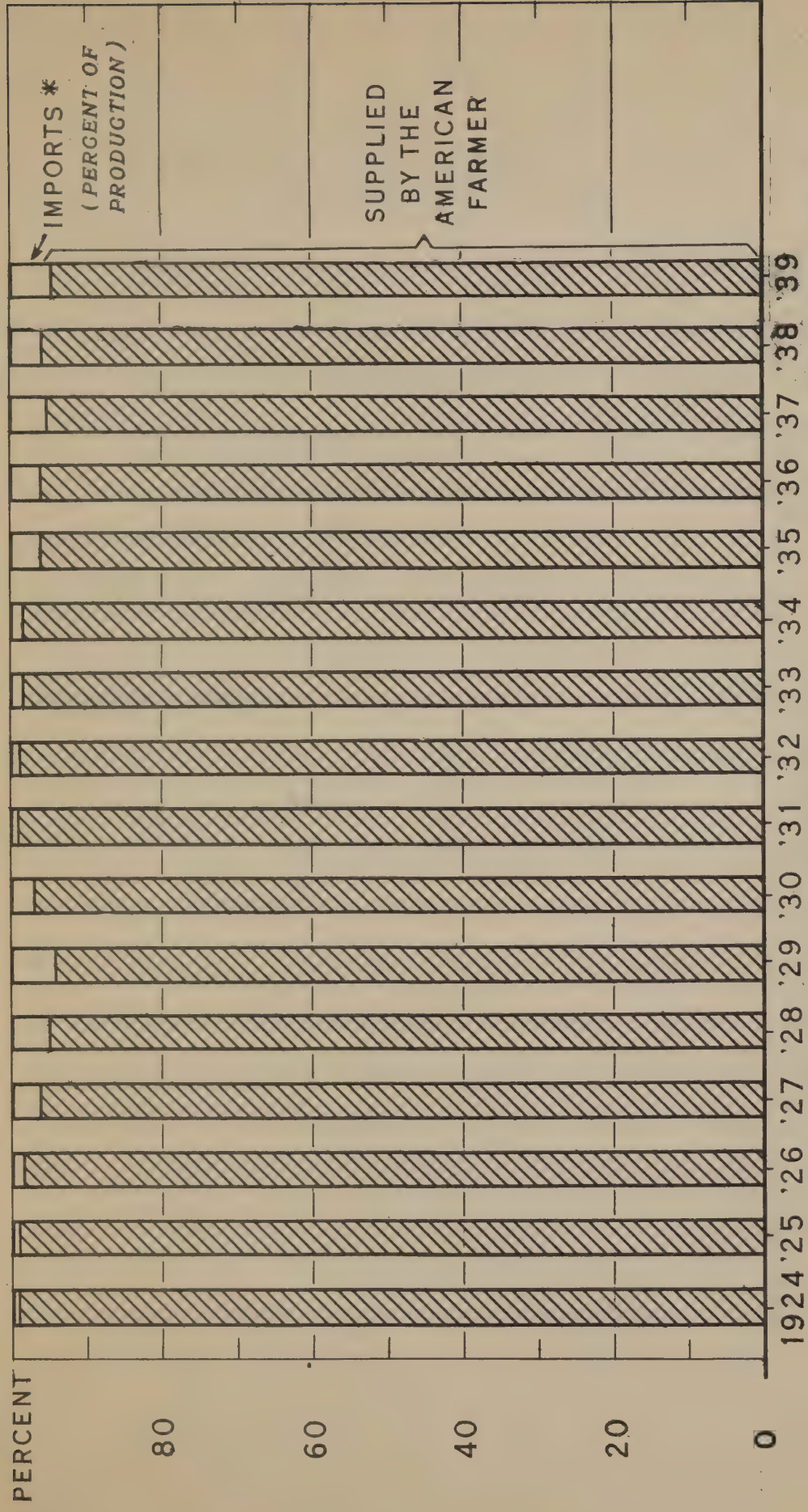
^{1/} Imports for consumption; includes veal.

^{2/} Excludes meat from Government slaughter.

^{3/} Preliminary.

Compiled by Division of Information, A.A.A., from published U.S.D.A. figures.

THE AMERICAN BEEF PRODUCER HAS HIS HOME MARKET



DATA FOR 1939 ARE PRELIMINARY

* IMPORTS FOR CONSUMPTION; INCLUDES VEAL

THE SHARE OF THE DOMESTIC PORK MARKET SUPPLIED BY
THE AMERICAN PORK PRODUCER

In the case of pork, as with practically all United States farm products, it is the volume of exports rather than the volume of imports that really concerns the American farmer. The American farmer has the American pork market; what he needs is an export outlet for his surplus hog products, rather than additional protection from foreign imports.

Up until 1936, pork imports into this country were so small as to be only a fraction of one percent of our total domestic production. During the three years 1936, 1937, and 1938, high pork prices, resulting chiefly from drought liquidation of herds, attracted slightly increased importations. During these three years pork imports amounted to one percent of our total domestic production. During 1939 pork imports dropped to less than 1/2 of 1 percent of home production. In other words, the American farmer has at least 99 percent of the American pork market. He also has some share in the pork and lard market of foreign countries.

The largest proportion of pork imports into this country at all times is the result of continued demand for such luxury products as canned hams.

THE SHARE OF THE DOMESTIC PORK MARKET SUPPLIED BY THE AMERICAN PRODUCER, EXCLUDING LARD,
CALENDAR YEARS 1924-39

Year	Pork Production	I m p o r t s ^{1/}					Percent Imports are of Production ^{5/}
		Hams Shoulders and Bacon ^{3/}	Pork, fresh or frozen ^{3/}	Pork, salted, pickled, and other ^{3/}	Live Hogs in terms of Pork equivalent ^{4/}	Total Pork	
	Thousand Pounds	Thousand Pounds	Thousand Pounds	Thousand Pounds	Thousand Pounds	Thousand Pounds	Percent
1924	9,149,000	757	5,684	342	3,730	10,513	--
1925	8,128,000	1,157	7,235	466	9,637	18,495	--
1926	7,966,000	1,769	9,156	1,347	9,863	22,135	--
1927	8,430,000	3,972	14,511	3,072	19,739	41,294	--
1928	9,041,000	2,537	7,767	2,526	1,993	14,823	--
1929	8,833,000	2,084	4,124	2,314	344	8,866	--
1930	8,479,000	1,980	1,093	1,563	14	4,670	--
1931	8,734,000	1,979	754	1,234	96	4,063	--
1932	8,915,000	3,015	1,658	1,075	19	5,767	--
1933	9,124,000	1,672	539	703	4	2,918	--
1934	8,385,000	969	182	495	4	1,650	--
1935	5,954,000	5,297	3,923	1,274	1,878	12,372	--
1936	7,535,000	26,088	12,945	2,810	9,595	51,438	1
1937	6,937,000	47,422	20,677	6,532	9,105	83,936	1
1938	7,636,000	44,347	4,287	3,748	31	52,413	1
1939 ^{2/}	8,534,000	36,324	2,274	2,369	47	41,014	--

^{1/} Imports for consumption

^{2/} Preliminary.

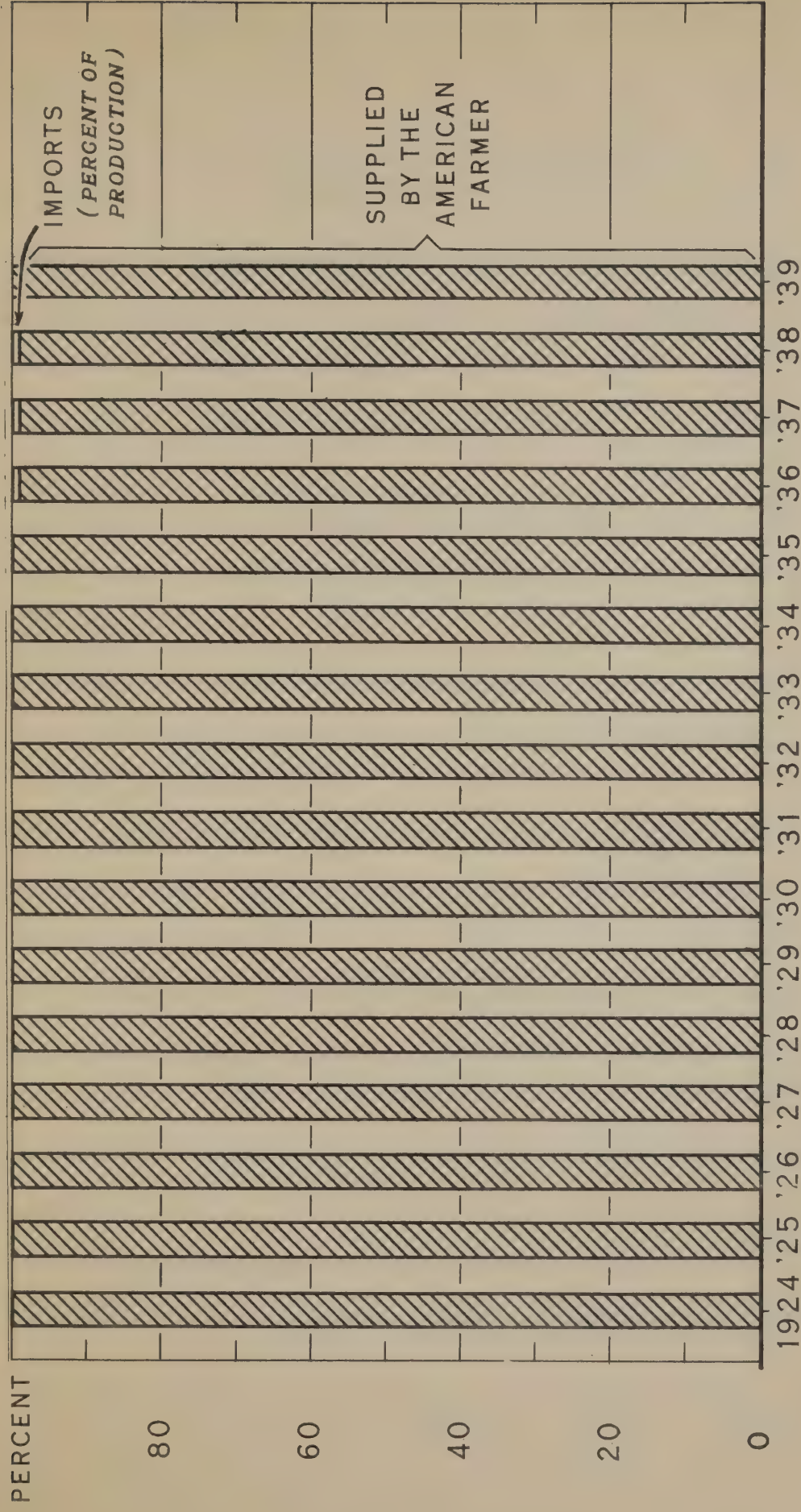
^{3/} Actual weight basis.

^{4/} Converted at 55 percent of live weight

^{5/} Blanks indicate less than 1/2 of 1 percent.

Compiled by Division of Information, A.A.A., from published U.S.D.A. figures.

THE AMERICAN PORK PRODUCER HAS HIS HOME MARKET



DATA FOR 1939 ARE PRELIMINARY

THE SHARE OF THE DOMESTIC DAIRY MARKET SUP-
PLIED BY THE AMERICAN PRODUCER

Particularly since the signing of the first Trade Agreement with Canada, much as been said about the "flood" of dairy imports which was ruining the domestic dairy market. The accompanying chart shows that even during the period of our heaviest dairy importations (1924-29), the amount of milk and milk products imported into this country never exceeded about 1.6 percent of our total domestic production. Since 1930, however, that percentage has been running somewhat lower and in 1939 amounted to only six-tenths of one percent of domestic production.

In 1939 about 614 million pounds of dairy products were imported into this country for consumption, compared with an annual average of 1,371 million pounds for the 1924-29 period.

This trickle of dairy imports is made up primarily of special and fancy European cheeses supplying a luxury demand and a small amount of fresh milk and cream from Canada.

Dairy products by their very nature, of course, are not important items in foreign trade. Consequently, the American dairy farmer, with ninety-nine and one-half percent of the domestic market, is more interested in the improvement of this domestic market than he is in either dairy exports or dairy imports.

Changes in domestic consumer purchasing power are vastly more important to American dairymen than either the imports or exports of their products.

THE SHARE OF THE DOMESTIC DAIRY MARKET SUPPLIED BY
THE AMERICAN PRODUCER,
CALENDAR YEARS 1924-39

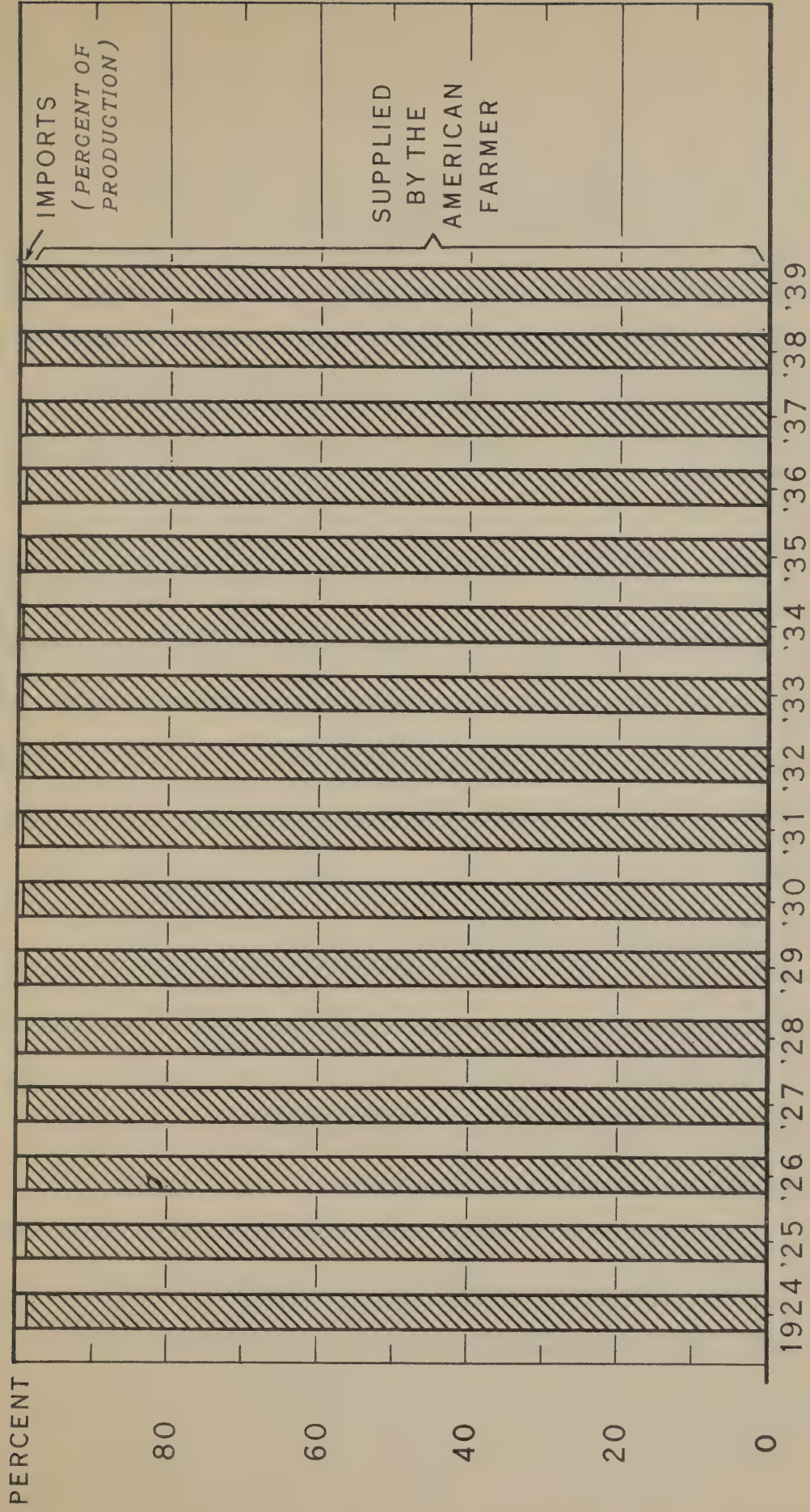
Year	Total Milk Production	Imports <u>1/</u>	Imports as a Percent of Production
	<u>Million Pounds</u>	<u>Million Pounds</u>	<u>Percent</u>
1924	91,489	1,441	1.6
1925	92,616	1,320	1.4
1926	95,966	1,516	1.6
1927	98,153	1,479	1.5
1928	99,434	1,315	1.3
1929	102,121	1,158	1.1
1930	103,016	904	0.9
1931	105,890	677	0.6
1932	106,678	592	0.6
1933	107,579	510	0.5
1934	104,354	502	0.5
1935	104,247	986	0.9
1936	106,009	849	0.8
1937	105,958	867	0.8
1938	110,081	581	0.5
1939 <u>2/</u>	111,414	614	0.6

1/ Prior to 1934 "general imports," for 1934 and following years
"imports for consumption." Milk equivalent.

2/ Preliminary

Compiled by Division of Information, AAA, from published U.S.D.A. data.

THE AMERICAN DAIRYMAN HAS HIS HOME MARKET



DATA FOR 1939 ARE PRELIMINARY

THE SHARE OF THE DOMESTIC CORN MARKET SUPPLIED
BY THE AMERICAN CORN PRODUCER

As the normal producer of over half the world's corn, the American corn farmer is customarily the leading or ranking exporter of corn and corn products, such as pork and lard. Consequently, importing corn into the United States is like "carrying coal to Newcastle". The American corn producer owns and controls the American corn market.

Except for the unprecedented drought years, 1934-36, corn imports have never amounted to as much as one percent of our domestic production.

During the drought year of 1934, only 37,000,000 bushels of corn moved into this country for consumption. This amount was 3 percent of that year's production, which was 1,093,000,000 bushels below the 1928-32 average.

During 1936, with little reserve on hand, 104,000,000 bushels of corn were imported, amounting to about 7 percent of the 1936 production which was 1,048,000,000 bushels below the 1928-32 average. In view of the fact that 85 percent of our corn supply is consumed by livestock, these importations, small as they were, undoubtedly benefited the average American farmer and consumer.

Imports of corn come largely from Argentina and are consumed almost altogether in areas on the Pacific and Southeastern Atlantic coasts where little corn is grown. Corn can be shipped by boat from South America, meet the tariff of 25 cents a bushel, and sometimes still be cheaper in those deficit areas than corn shipped by rail from the Corn Belt of the United States. A very limited amount of Argentine corn, which is of a hard flinty type, is used in certain commercial processing of corn products.

THE SHARE OF THE DOMESTIC CORN MARKET SUPPLIED BY
THE AMERICAN PRODUCER,
YEARS 1924-39

Year	:	U. S. Corn	:	Corn Imports	:	Imports as a
	:	Production	:		:	Percent of
	:	<u>1/</u>	:	<u>2/</u>	:	Production
	:		:		:	<u>4/</u>
	:		:		:	
	:	Thousand	:	Thousand	:	
	:	Bushels	:	Bushels	:	
1924		2,223,123		2,892		--
1925		2,798,367		357		--
1926		2,546,972		3,750		--
1927		2,616,120		2,940		--
1928		2,665,516		342		--
1929		2,521,032		846		--
1930		2,080,421		1,386		--
1931		2,575,611		377		--
1932		2,931,281		173		--
1933		2,399,632		883		--
1934		1,461,123		36,955		3
1935		2,303,747		21,096		1
1936		1,507,089		103,669		7
1937		2,651,284		1,819		--
1938		2,562,197		442		--
1939 <u>3/</u>		2,619,137		--		--

1/ Production in grain equivalent on entire acreage.

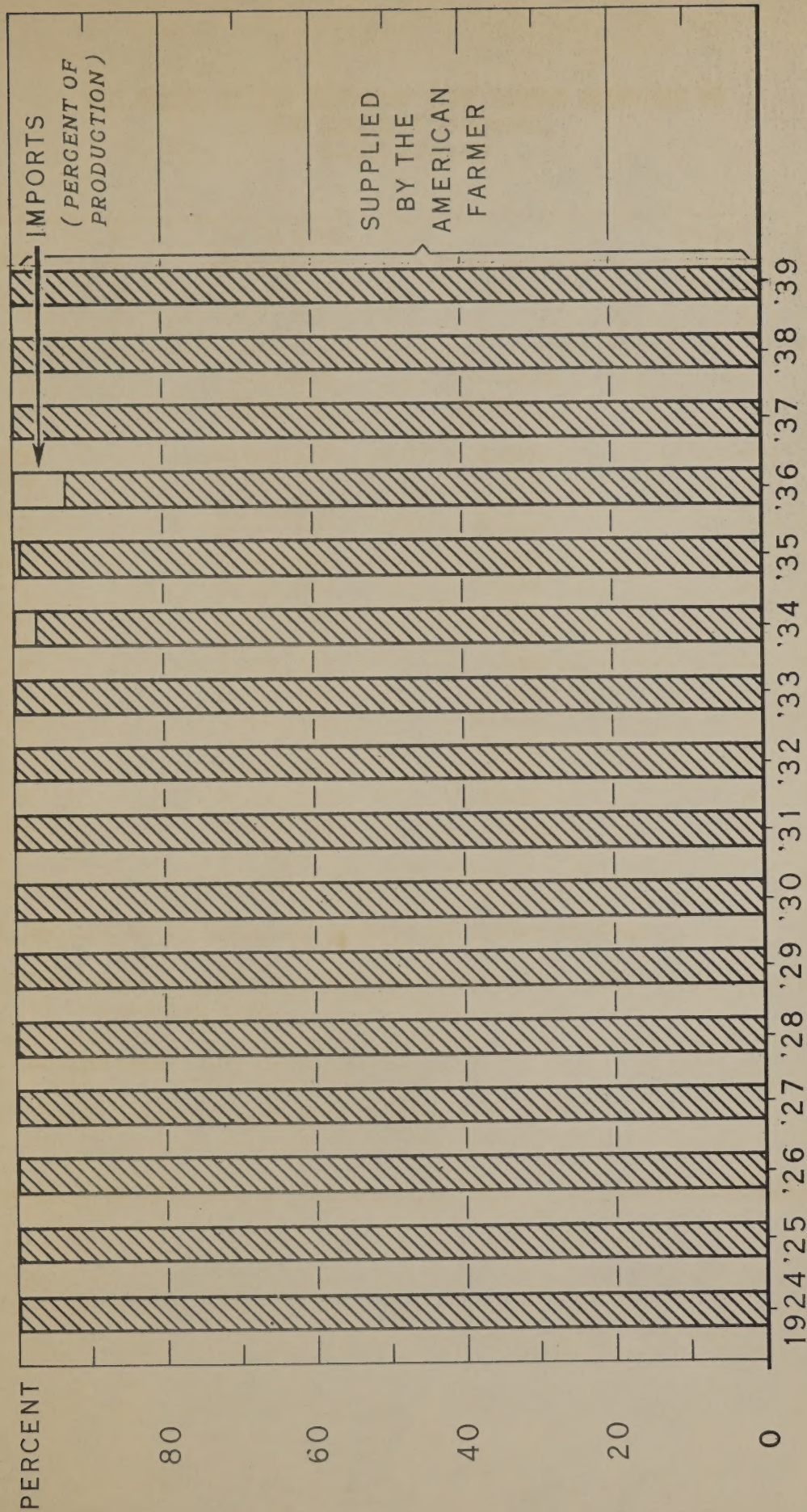
2/ Year beginning October 1; includes meal; imports for consumption beginning 1933.

3/ Preliminary.

4/ Blanks indicate less than 1/2 of 1 percent.

Compiled by Division of Information, AAA, from published U.S.D.A. figures.

THE AMERICAN CORN PRODUCER HAS HIS HOME MARKET



DATA FOR 1939 ARE PRELIMINARY

